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TOTAL QUALITY MANAGEMENT

MASTER PLAN

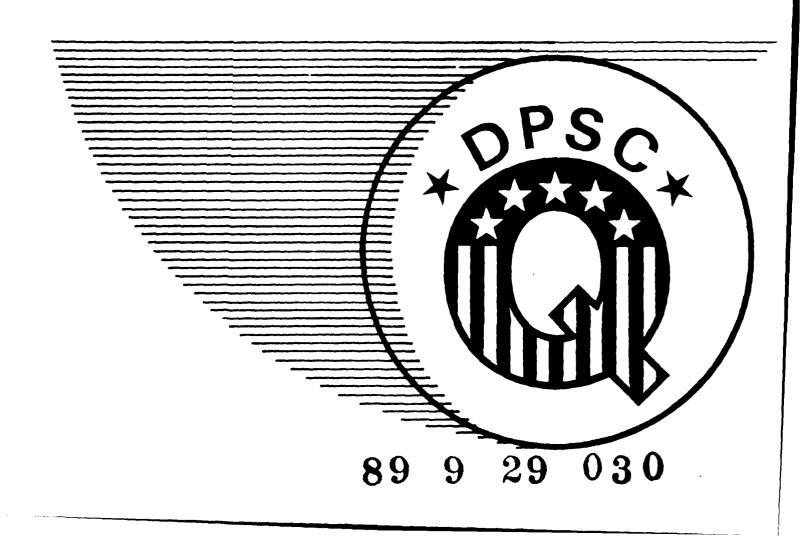


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A MESSAGE FROM THE COMMANDER ON TOTAL QUALITY MANAGEMENT

As you read this DPSC Total Management Plan, I ask each of you to join with me in the commitment to continually strive for improvement in all that you do, both here at DPSC and in your personal lives. Total Quality Management embodies a philosophy that says there is a methodology to consciously improve the quality in the way we think, act, conduct our business, and interact with others.

For DPSC, Total Quality Management is the future. It requires a long term commitment, top management support, employee involvement, effective and renewed commitment to training, and rewards and recognition. It encourages group and team efforts and achievements, cooperation, not competition.

At DPSC we are taking a new view, moving from, "If it isn't broke, don't fix it" to "How can we improve it?" We should be alert to new ideas and borrow those that help us to improve our performance. As we commit ourselves to Total Quality Management, we will improve our performance of our mission to provide quality logistics support to the Armed Forces.

Total Quality Management at DPSC has my complete support and commitment. As a team player with you, we will assure quality products and services for our customers as a result of incorporating Total Quality Management into our concept of our mission.

Major General, USAF Commanding



DIRECTOR'S MESSAGE

DLA's mission is to provide quality logistics support and services to the Armed Forces. To accomplish this mission we must:

Know our customers and meet their needs.

Commit to Total Quality Management-make our processes modern and productive.

Reward creativity and innovation in our workforce while demanding integrity and accountability.

Modernize our communications, management and information systems.

Implement quality of life in the work place.

Plan for the future of the Agency.

CHARLES McCAUSLAND Lieutenant General, USAF

Chorles Mc Coulomb

1 May 89

INTRODUCTION

SECTION I

INTRODUCTION

QUALITY IS JUDGED BY CUSTOMERS; CUSTOMERS WANT PRODUCTS AND SERVICES THAT, THROUGHOUT THEIR LIVES, MEET CUSTOMERS' NEEDS AND EXPECTATIONS AT A COST THAT REPRESENTS VALUE.

THE ULTIMATE GOAL OF TOTAL QUALITY MANAGEMENT IS THE SATISFIED, QUALITY EQUIPPED, QUALITY SUPPORTED SOLDIER, SAILOR, AIRMAN, AND MARINE.

COMMITMENT TO THE QUEST FOR QUALITY STANDS AS DPSC'S CENTRAL UNIFYING MOTIVATION.

TOTAL QUALITY MANAGEMENT (TQM)

TQM is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organization. TQM is the application of quantitative methods and human resources to improve the material and services supplied to an organization, all the processes within an organization, and the degree to which the needs of the customer are met, now and in the future.

DPSC TQM GUIDING PRINCIPLES

- o Quality comes first To achieve customer satisfaction, the quality of our products and services must be our number one priority.
- o Customers are the focus of everything we do Our work must be done with our customers in mind, providing the very best products and services.
- o Continuous improvement is essential to our success We must strive for excellence in everything we do: in our products, and in their safety and value.
- o Employee involvement is our way of life We are a team. We must treat each other with trust and respect.
- o Dealers and suppliers are our partners We must maintain mutually beneficial relationships with dealers, suppliers, and our other business associates.
- o Integrity is never compromised The conduct of DPSC must be pursued in a manner that is socially responsible and commands respect for its integrity and for its positive contributions to our customers.

- TQM -

WHERE TO START

- o Recome familiar with TQM principles, practices, techniques & tools.
- o Initiate appropriate training for all personnel, beginning at the top.
- o Establish an environment for continuous improvement.
- o Focus on: Increasing customer satisfaction, improving performance, reducing cycle time, reducing cost.
- o Institute process improvement/action teams.
- o Examine programs and processes; find ways for improvement.
- o Identify and collect statistical data which measures the quality of the process.
- o Develop mechanisms for encouraging employee involvement.
- o Encourage TQM implementation by all customers and suppliers.

CONCEPTS

SECTION II

CONCEPTS

TOM BASICS

WHAT IS TOM

The Total Quality Management (TQM) concept is based upon the pioneering work of Dr. W. Edwards Deming, Dr. Joseph H. Juran, Philip B. Crosby, and others.

TQM IS:

- A systematic process for improving products and services
- A structured, disciplined approach to identifying and solving problems
- A participatory work style, conveyed by management actions and commitment, which harnesses the creativity and ideas of all employees.
- Long term
- Supported by Statistical Process Control
- Practiced by each and every employee

TQM IS NOT:

- A program or fad
- Crisis management
- Conveyed by slogans
- Short term
- Driven by Statistical Process Control
- Assigned to subordinates

STRATEGY

Total Quality Management strategy is directed at achieving:

CONTINUOUS PROCESS IMPROVEMENT

Continuous improvement, the TQM hallmark, is realized by focusing on the processes that create products and services.

PAGE 7

CONTINUOUS IMPROVEMENT

Continuous improvement is realized by creating an environment in which all employees are empowered to make improvements in the processes that create products and services. By focusing on the processes and listening to the suggestions of those who work within the process, management can bring about improvements.

Successful implementation of TQM requires:

ENRICHED ENVIRONMENT

- Disciplined long term organizational goals
- Empowering all employees by creating an enriched environment in which to work
- Instituting an organized training effort
- Employing formal, structured process improvement techniques and practicing teamwork at all levels in all situations

TQM requires consistency of purpose which must be oriented towards:

- Process improvement
- Satisfying customers' needs

- O REQUIRES COMMITMENT BY TOP MANAGEMENT
- O CREATES AN ENVIRONMENT FOR CONTINUOUS IMPROVEMENT
- o SATISFIES CUSTOMER NEEDS
- o FOCUSES ON TEAM WORK
- o INVOLVES EVERY INDIVIDUAL
- O RECOGNIZES THE IMPORTANCE OF PEOPLE

DOD TQM PHILOSOPHY

TQM IN DOD

TQM is a DoD initiative for continuously improving performance at every level and area of DoD responsibility. Improvement is directed at satisfying broad quality, productivity, cost and schedule goals, and at modifying management techniques. TQM brings together existing improvement efforts and specialized technical skills under a disciplined structure focused in improving all DoD processes. It demands commitment and discipline. It involves everyone. Increasing user satisfaction is the overriding Total Quality Management objective.

TOM IN THE DEFENSE LOGISTICS AGENCY

NOT A SLOGAN, FAD, OR BUZZ WORD The Defense Logistics Agency (DLA) fully supports DoD's TQM initiatives for continuous improvement at every level. The DLA TQM Master Plan serves as the foundation for the implementation of TQM within the Agency and is the basis for the DPSC Master Plan.

TQM is not just another program, fad, slogan, or "Buzz Word." It is a philosophy which will be rooted as a way of life within DLA. Adopting this philosophy will require a cultural change in the way we think and do business.

INTEGRATES EXISTING INITIATIVES DPSC stands to realize major gains from the implementation of TQM throughout the Center. The many productive and innovative improvement programs already developed and working throughout the Center will not be abandoned. On the contrary, ongoing programs will be embraced under the TQM umbrella.

KEY ELEMENTS

- o TOP LEVEL COMMITMENT
- o A CULTURE, NOT A PROGRAM, FAD, SLOGAN, OR "BUZZ WORD"
- O ENCOMPASSES ALL PROCESS IMPROVEMENT INITIATIVES

The following TQM fundamentals form the premise upon which the DPSC TQM Master Plan is built.

EVERYONE HAS A CUSTOMER

Throughout the Center, there are a multitude of different tasks performed daily by members of our very talented work force. There is at least one customer for the efforts expended in the performance of every task.

Whether customers are coworkers, bosses, organizations, activities, or soldiers, sailors, airmen, and marines, our customers expect, and deserve, the best we, individually and collectively, can provide.

TQM embraces this important customer/supplier relationship by focusing attention on providing timely quality products and services in everything that we do. Contractors, also customers, deserve quality, on time services; e.g., inspection, payment.

Because of the diversity of the DPSC mission, the customer/supplier relationship takes on an added dimension within the Center's TQM implementation strategy. This is the critical point where evaluation of prior efforts is made: - "the moment of truth."

UNDERSTAND CUSTOMERS' NEEDS Providing quality products or services on time requires that we know and thoroughly understand each of our customer's needs. Likewise, customers must understand the capabilities of the processes which we use to produce products or services.

Both parties in the customer/supplier relationship must work together to ensure that needs and capabilities are correlated to the maximum extent practicable.

The TQM effort requires a close customer/supplier relationship, and the flexibility to achieve continuous improvement.

KEY ELEMENTS

- o CUSTOMER ORIENTATION THEY DESERVE THE BEST
- o KNOWLEDGE OF CUSTOMERS' NEEDS REQUIRED
- o CLOSE CUSTOMER/SUPPLIER RELATIONSHIP ESSENTIAL
- o FLEXIBILITY PARAMOUNT

PEOPLE ARE IMPORTANT People are our most important resource. The success of TQM necessitates the active involvement of each and every member of the DPSC family. Everyone is personally responsible for developing an attitude within DPSC that encourages constructive change, identifies opportunity, and stimulates innovative ideas for continuous improvement.

Management is responsible for creating an environment which values all individuals and fosters the trust which allows open communication and permits change.

Individual contributions will be actively sought in our quest to upgrade the quality of the products and services DPSC buys and produces. Concurrently, management must strive to upgrade the quality of work life which will also contribute to an environment which fosters continuous improvement.

RECOGNITION IS ESSENTIAL

Individuals and activities will be appropriately recognized for contribution to process, quality of work life, and participatory management improvements.

KEY ELEMENTS

- o PEOPLE ARE THE MOST IMPORTANT TOM RESOURCES
- o EMPLOYEE RECOGNITION CRITICAL

A process is a systematic approach to accomplishing a specific task. Just as everyone has customers, every task involves process.

CONTINUOUS PROCESS IMPROVEMENT

Focusing on the processes used to create products and services is fundamental to TQM.

Whatever the task, many people are involved with the myriad of processes which contribute to mission accomplishment. Employee knowledge, analysis, measurement, and improvement of work processes is key to the success of TOM.

PROFOUND KNOWLEDGE

It is a basic precept of TQM that all employees have a profound knowledge of each process with which they use that knowledge to enhance efficiency and effectiveness. Positive improvement is primarily generated from the ideas of those who participate in processes.

Only after every aspect of each process is mastered, can analysis, measurement, and improvement efforts be effected which integrate TQM into the way we do business.

PROCESS ANALYSIS

Process analysis is a critical component of the TQM effort. Many proven management techniques and analytical tools are available to assist in process analyses.

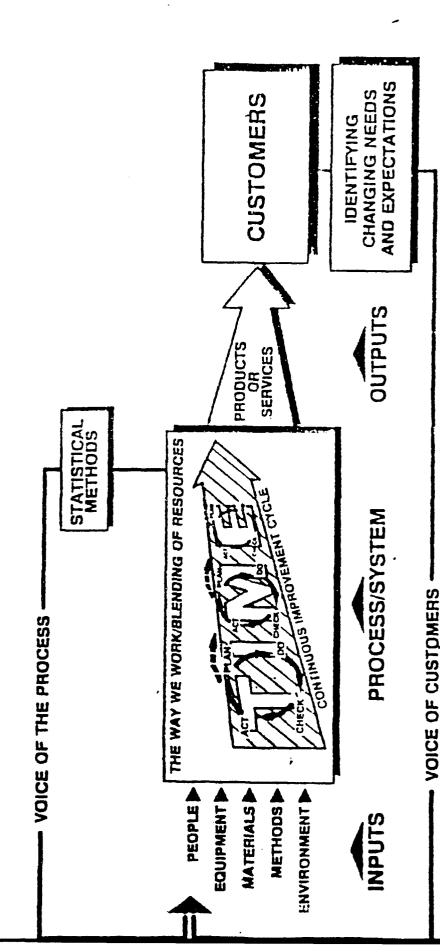
Through profound knowledge and appropriate statistical tools, potential improvements can be identified, beginning with the areas offering the largest return on investment. It is imperative that critical control points be isolated in processes where opportunities for improvement exist.

- o PERFORMANCE INVOLVES PROCESSES
- o PROFOUND KNOWLEDGE OF PROCESSES NEEDED
- O MANAGEMENT TECHNIQUES AND ANALYTICAL TOOLS ARE KEYS TO PROCESS IMPROVEMENT

STEPS TO PROCESS IMPROVEMENT

Idenilly	Бсорв 2	Analyze 3	Envision 4	Pilot	Implement 8	Continue 7
Ordent Process Sponsor Define Prefiningry Opportunuity Assess Ithe Valve Set Prefiningry Project Goal Decuss Initial Time Freme	Clarity Assumptions Establish Boundaries Project Manageable Adjust Boundaries Glakeholders Stakeholders Stakeholders Feam Develop Goals and Workplan Formalize Contract	Define Customers and Voice of the Customer Customer Define Customer hipput Requirements Map the Process Define Supplier Output Requirements Output Requirements Output Requirements Hequirements Output Requirements Output Requirements Hequirements Output Requirements Output	· Assess Readiness Plan for Generating Ideas Generating Ideas Assess the Assess the	· Determine Objectives of Pilot · Establish Indicators · Gain Agreement · Conduct the Pilot · Improvement Observed · Verify Results · Summarize What Was Learned	Reconfirm Learning From Pilot Classily Changes to be Implemented Develop Masiar Plan of Changes Develop Functional Area Plans Problem Analysis Establish Monitoring System Introduce Changes	* Review Requirements for Continuous Improvement Continuous Improvement Opportunities

CONTINUOUS IMPROVEMENT MODEL



PAGE 15

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SECTION III

METHODOLOGY

TQM STRUCTURE

HOW TO

Cultivating Total Quality Management as a way of life will require development of a TQM structure, education, identification of responsibilities and establishment of goals. It will also require follow-up by all levels of management to track implementation and progress.

At DPSC, TQM goals will be translated into improved products and services through the repetitive, continuous use of a process improvement cycle. The process improvement cycle will consist of:

- Identification of work processes
- Identification of relevant measurement points
- Identification and prioritization of opportunities for improvement
- Implementation of the best solutions
- Monitoring effectiveness

RESPONSIBILITIES

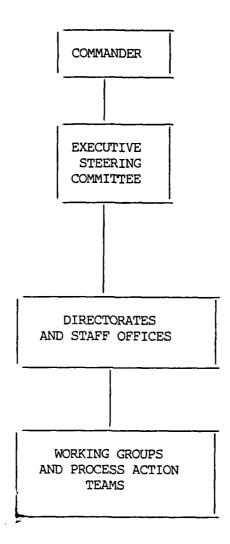
LEADERSHIP INVOLVEMENT

Each Directorate/Staff Office (D/SO) is responsible for implementing TQM within its respective environment. This includes identification of essential processes, selection of Process Action Team (PAT) members, training of the PAT team, monitorship of team progress, and constant support to the TQM concept. TQM requires the leadership of top management if it is to be successful. Leadership is much more than vocal; it must be visual and substantial.

EXECUTIVE OVERSIGHT

To demonstrate Command level support for and interest in the DPSC TQM effort, an Executive Steering Committee (ESC), chaired by the Deputy Commander, has been established with responsibility for providing TQM policy guidance and direction to the D/SOs. Membership includes senior managers from each Directorate and Staff Office. The ESC will meet monthly, and will advise the Commander on DPSC's TQM program. The ESC is responsible for the perpetual advancement of TQM within DPSC.

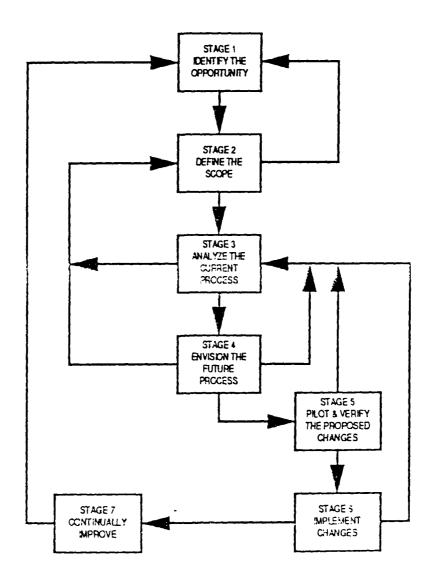
DPSC TOM STRUCTURE



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THE PROCESS IMPROVEMENT METHODOLOGY

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CORE DPSC TQM GOALS

SECTION IV

CORE DPSC TQM GOALS

The TQM Core Goals listed in this section are considered necessary for successful integration of TQM throughout DPSC. They do not exhaust all of the actions required nor do they limit additional goals as we progress to the quality life-style engendered by the TQM philosophy.

D/SOs, particularly, will need to expand these goals to better encompass the mission of their organizations.

DEVELOP A TOM TRAINED WORK FORCE

COMMITMENT TO TRAINING Successful implementation of TQM requires a properly trained work force, including executives, managers, facilitators and workers alike. TQM requires a level of commitment, involvement and dedication which can only be achieved by a structured, continuous education program. This training must begin at the executive level and deliberately permeate the entire organization through an organized downward training cycle.

HARMONIZE DIRECTIVES

DPSC, like any organization, operates under policies, guidelines, regulations and laws from both internal and external sources. If we are to assure that Total Quality Management permeates our daily activities, and fosters improvements in our processes, inconsistencies within existing directives must be corrected. The basic intent is to eliminate barriers to success whether internally or externally imposed.

INTERNAL BARRIERS

As the Total Quality Management process takes hold, management must assure commonality and consistency of improvement approaches by eliminating contradictory signals. Motivating factors must be consistent with the TQM philosophy. Directives, regulations, instructions and attitudes will be reviewed for conflict with the TQM approach and harmonized accordingly.

EXTERNAL BARRIERS

Total Quality Management requires review of the processes of our work environment. By virtue of our mission, we interface with a multitude of outside agencies, whose directives, policies and attitudes directly impact DPSC's work environment. While often more difficult to resolve than internal issues, external barriers must also be reviewed and properly assessed in light of TQM. An approach must be developed for removing any external obstacles.

KEY ELEMENTS

- o IDENTIFY AND REMOVE INTERNAL OBSTACLES
- O HARMONIZE TOM EFFORTS AND DIRECTIVES
- O IDENTIFY EXTERNAL OBSTACLES
- O DEVELOP APPROACH TO REMOVE EXTERNAL OBSTACLES

INTEGRATE EXISTING INITIATIVES

SYNCHRONIZE

Existing initiatives within DPSC which encompass the principles of continuous process improvement will be defined and synchronized under the TQM umbrella. D/SOs responsible for each initiative will carefully review the application of such initiatives or programs to ensure that they are in conformance with TQM.

SENSITIZING INDUSTRY TO TOM

WORLD CLASS

Solicitations serve as a catalyst to gain and hold contractors' attention because of DPSC "World Class Customer" initiatives which:

- Reward quality producers
- Buy on the basis of best value award decision criteria vice lowest cost
- Consider past performance in source selection decisions

QUALITY BUYER

Many aggressive and innovative initiatives are already ongoing throughout the Center. Most are oriented at eliminating poor performers and buying quality up-front through source selection strategies which embrace TQM by identifying DPSC as a "Quality Buyer".

- O SENSITIZE INDUSTRY TO TOM
- O BUILD TOM INCENTIVES INTO THE PROCUREMENT PROCESS

REWARD ACHIEVERS

ENHANCE RECOGNITION AND AWARD SYSTEM

As with other disciplines embodied under the umbrella of TQM, recognition and awards for deserving individuals and groups will be accomplished through existing methods. However, recognition programs will be enhanced to reward TQM super achievers and to publicize success stories.

KEY ELEMENTS

- o RECOGNIZE TOM ACHIEVEMENTS
- O USE EXISTING/ENHANCED RECOGNITION METHODS
- o SPREAD THE WORK ON SUCCESS STORIES

COMMUNICATE

DEVELOP FEEDBACK AND COMMUNICATION SYSTEM

Feedback and communication systems will be developed or enhanced to provide mechanisms for capturing and sharing benefits resulting from TQM implementation. Existing functional area feedback systems which measure customer satisfaction will be fine-tuned to facilitate the evaluation of process improvements and TQM implementation. Communication systems including electronic mail; e.g., Idea Net will be used to share information concerning successful TQM initiatives.

- o ENHANCE EXISTING FEEDBACK PROGRAMS
- O COMMUNICATE AND PUBLICIZE TOM

WAY OF LIFE

INSTITUTIONALIZE TOM WITHIN DPSC

The ultimate goal is to incorporate TQM into the everyday life of the Center. The principles, training practices and processes aimed at achieving continuous improvement will become routine business for DPSC. The TQM label will eventually fade from use when continuous process improvement is ingrained throughout the Center as the normal method of operation by all employees at all levels.

This goal will be accomplished through the commitment and participation of the Center's top management. Top leadership commitment will be amplified by a continuous education program which will be used to instill the TQM philosophy at all levels of the workforce.

This TQM Master Plan constitutes guidance and direction regarding implementation of Total Quality Management throughout the Defense Personnel Support Center.

- O TOP MANAGEMENT COMMITMENT
- O CONTINUOUS EDUCATION
- O INGRAINED THROUGHOUT DPSC
- O CONTINUOUS PROCESS IMPROVEMENT

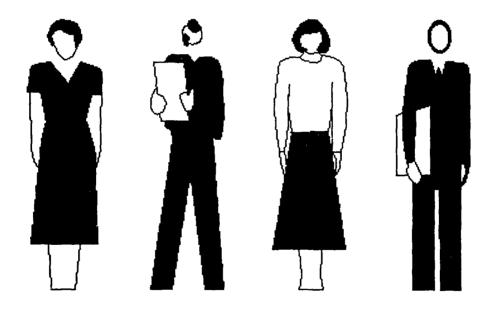
IMPLEMENTATION

SECTION V

IMPLEMENTATION

IMPLEMENTATION

This portion of the plan contains the actions DPSC is taking to implement TQM. Listed are the broad or encompassing actions which involve all DPSC employees.



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1.4.	ESTABLISH STEERING COMMITTEE	A
1.B.	FUBLISH DPSC TOM PLAN	X
2.	; EDUCATION/TRAINING	
2.A. j	DEVELOP TRAINING REQUIREMENTS	
2.B.	IDENTIFY TRAINING COURSE AVAILABILITY	
Z.C.	CONDUCT TRAINING	0
3.	TOM STATUS	
3.A. !	OPERATE FEEDBACK/MONITORING SYSTEM	
3.B.	ESTABLISH TOM COMMUNICATION METHODS	
3.6.1	CONDUCT TOM FROGRESS BRIEFINGS	
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GLOSSARY OF TERMS

TERMS

Process - A systematic approach to accomplishing a specific task.

<u>Control Chart</u> - A method of monitoring the output of a process or system through the sample measurement of a selected characteristic or characteristics and the tracking/analysis of its performance over time.

<u>Process Improvement Cycle</u> - An analytical method for improving processes. The improvement cycle consists of: identification and definition of the processes by which work is accomplished, identification of relevant measurement points, identification and prioritization of opportunities for improvement, implementation of the best solutions and monitoring of effectiveness.

<u>Productivity</u> - The efficiency with which resources are used to produce a government service or product at special levels of quality and timeliness.

<u>Process Action Team (PAT)</u> - Action teams which are formed as needed for those TQM initiatives which address improvements to processes.

<u>Statistical Process Control</u> - A measurement method used for assessing the performance of processes.

<u>Total Quality Management</u> - A strategy for continuously improving performance at every level and in all areas of responsibility.

Quality - The extent to which a product or service meets customer requirements and is fit for use.

ABBREVIATIONS

ABBREVIATIONS

CFR Conceptional Functional Requirements

DLA Defense Logistics Agency

E4 Excellence & Efficiency in an Enriched Environment

ESC Executive Steering Committee

PLFA Primary Level Field Activity

PSE Principal Staff Element

QAR Quality Assurance Representative

PAT Process Action Team

SPC Statistical Process Control

TQM Total Quality Management